

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

---

FM HOLDINGS, LLC, f/k/a	)	
FORWARDMARKET, LLC,	)	
	)	
Plaintiff,	)	Civil Action No.
v.	)	05-11400-MLW
	)	
BILL MAHONEY and STEPHEN	)	
GREGORIO,	)	
	)	
Defendants.	)	
	)	

---

**DEFENDANTS' STATUS REPORT**

The parties to the above referenced matter have agreed in principle to a settlement of all outstanding claims in the underlying litigation. The Defendants and the insurance carrier (AIG) are currently working out the details of the settlement and coverage issues. AIG's counsel has been out with minor surgery and Defendants anticipate that all outstanding issues will be resolved by December 11, 2007. Accordingly, the parties will report back to the Court and/or file a stipulation of dismissal at that time.

Respectfully submitted,

/s/ Timothy C. Blank  
Timothy C. Blank (BBO # 548670)  
DECHERT LLP  
200 Clarendon Street, 27th Floor  
Boston, MA 02116  
(617) 728-7100  
Fax: (617) 426-6567

Dated: November 27, 2007

**CERTIFICATE OF SERVICE**

I hereby certify that this document(s) filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non-registered participants on November 27, 2007

/s/ Timothy C. Blank

Timothy C. Blank

13026269.1.LITIGATION